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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP- Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 AUG 25 P 2:39

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 25 2014

DOCKETED BY

DOCKET NO. E-01345A-13-0140

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
APPROVAL OF ITS 2014 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN FOR
RESET OF RENEWABLE ENERGY ADJUSTOR.

PROCEDURAL ORDER
(Sets Procedural Conference for Oral
Argument and Discussion of
Procedural Matters)

BY THE COMMISSION:

On July 12, 2013, Arizona Public Service Company ("APS") filed with the Arizona Corporation Commission ("Commission") its 2014 Renewable Energy Standard Implementation Plan.¹

Intervention in this matter has been granted to Arizona Solar Deployment Alliance ("ASDA"), Solar Energy Industries Association ("SEIA"), Freeport-McMoRan Copper & Gold Inc. ("Freeport-McMoRan"), Arizonans for Electric Choice and Competition ("AECC"), and Arizona Solar Energy Industries Association ("AriSEIA").

On April 15, 2014, APS filed its Application and Response to Commission Inquiry in Decision No. 74237. The April 15, 2014, application requests authorization for APS to proceed with the construction of a 20 MW utility-owned solar project to be located at APS's Redhawk Power Station as part of APS's AZ Sun program ("Redhawk Solar Project Application").

On July 28, 2014, APS filed its Supplemental Application (Utility-Owned DG). The July 28, 2014, application requests, as an alternative to its proposed Redhawk Solar Project, authority to implement its proposed AZ Sun DG Program as the final 20 MW of APS's AZ Sun Program ("AZ Sun DG Program Application"). Under the proposed AZ Sun DG Program, APS

¹ Decision No. 73922 extended the July 1, 2013 deadline.

1 would install 20 MW of residential distributed generation ("DG") on the rooftops of approximately
2 3,000 APS customers. APS states that the DG systems would be installed on APS's side of the
3 meter, and that APS would "rent" the 3,000 customer rooftops for a period of 20 years, by providing
4 those customers with a \$30 monthly bill credit. APS requests that its proposed AZ Sun DG Program
5 be authorized on an expedited basis, with a Commission order by September 2014, if possible.

6 On August 14, 2014, correspondence to APS from Commissioner Susan Bitter Smith relating
7 to the proposed AZ Sun DG Program was filed in the docket.

8 On August 14, 2014, The Alliance for Solar Choice ("TASC") filed an Application to
9 Intervene.

10 On August 15, 2014, TASC filed a Motion to Dismiss APS's Redhawk Solar
11 Project Application and its AZ Sun DG Program Application ("Applications"). TASC requests that
12 the Applications be dismissed with prejudice, and that the Commission instead address the need for
13 new capacity in APS's 2015 REST Plan proceeding. TASC alleges that the Applications are
14 inconsistent with Decision No. 74237 and should be dismissed as a collateral attack on a Commission
15 Decision; that APS has not provided sufficient information in the Applications to inform a
16 determination what budget and funding level modifications to Decision No. 74237 would be
17 necessary; and that the AZ Sun DG Program proposal raises significant public policy and legal
18 questions that cannot be addressed in the requested timeframe.

19 On August 15, 2014, AriSEIA filed a Motion to Dismiss APS's AZ Sun DG Program
20 Application. AriSEIA alleges that the AZ Sun DG Program Application is procedurally deficient,
21 lacks evidentiary support, is a bad idea with unknown costs, and "strongly favors the regulated utility
22 in a market that is already well served by a competitive free market."

23 On August 20, 2014, the Residential Utility Consumer Office ("RUCO") filed an Application
24 to Intervene.

25 On August 20, 2014, SEIA filed a Response to APS's AZ Sun DG Program Application,
26 urging that the Commission either conduct workshops on the AZ Sun DG Program Application or
27 consider it in APS's 2015 REST Plan.

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1 On August 20, 2014, the Commission's Utilities Division ("Staff") filed a Request for
2 Procedural Conference. Staff states that it continues to process and prepare a Staff Report that
3 addresses the merits of the AZ Sun DG Program Application, but does not intend to address in the
4 Staff Report the issues raised in the Motions to Dismiss. Staff states that it is not requesting an
5 evidentiary hearing, but requests that the Hearing Division prepare a Recommended Opinion and
6 Order ("ROO") in this matter "to address the motions to dismiss and the merits of the case."

7 On August 21, 2014, RUCO filed its Response to the TASC and AriSEIA Motions to
8 Dismiss. RUCO recommends either dismissal of the Applications without prejudice or the
9 establishment of a hearing process which includes the filing of testimony and a hearing.

10 On August 22, 2014, Tucson Electric Power Company ("TEP") filed a Motion to Intervene.

11 There has been no objection filed to TASC's or RUCO's Applications to Intervene. TASC
12 and RUCO should therefore be granted intervention.

13 Staff's request for a procedural conference is reasonable. A schedule should be set for APS to
14 file responses to the Motions to Dismiss, and a procedural conference should be scheduled for the
15 purpose of taking oral argument on the Motions to Dismiss. In order to allow time for any objections
16 to be filed to TEP's Motion to Intervene, it should be addressed at the procedural conference. The
17 parties should also be prepared to address, at the procedural conference, Staff's request for a ROO
18 and any other procedural matters related to the processing of this docket.

19 IT IS THEREFORE ORDERED that The Alliance for Solar Choice and the Residential
20 Utility Consumer Office are hereby granted intervention.

21 IT IS FURTHER ORDERED that Arizona Public Service Company shall file, by **September**
22 **3, 2014**, responses to the Motions to Dismiss filed by Arizona Solar Energy Industries Association
23 and The Alliance for Solar Choice.

24 IT IS FURTHER ORDERED that a **procedural conference** in the above-captioned matter is
25 hereby scheduled to commence on **September 5, 2014, at 2:00 p.m.**, or as soon thereafter as
26 practicable, at the Commission's offices, 1200 West Washington Street, **Hearing Room 1**, Phoenix,
27 Arizona 85007, for the purpose of taking oral argument on the Motions to Dismiss filed by Arizona
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Solar Energy Industries Association and The Alliance for Solar Choice; for the purpose of discussing Staff's request for a Recommended Opinion and Order; and for the purpose of discussing any other procedural matters related to the processing of this docket.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes the obligation to appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion, unless the representative has previously been granted permission to withdraw by the Administrative Law Judge.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 25th day of August, 2014.


TEENA TIBILIAN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 25th day of August, 2014 to:

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